

BRINGING BEER INTO PENNSYLVANIA

Please be advised that it is the Pennsylvania State Police, Bureau of Liquor Control Enforcement (BLCE), and not the Pennsylvania Liquor Control Board (PLCB), which enforces the liquor laws in Pennsylvania. Further, information provided below is not binding on the BLCE and is offered for information and guidance only.

Section 9011 of the Malt Beverage Tax Code makes it unlawful for any person to transport into the Commonwealth any taxable malt or brewed beverages on which tax is not paid. 72 P.S. § 9011.

<u>Section 9.91(a)</u> of the PLCB's Regulations provides that a person cannot import malt or brewed beverages into the Commonwealth for delivery or use therein, unless the person holds a valid importing distributor license issued by the PLCB, or unless a person is exempted by other provisions of that section. 40 Pa. Code § 9.91(a).

Thus, prior to January 17, 2017, the importation of malt or brewed beverages in Pennsylvania was allowed only by licensed importing distributors on whose premises the malt or brewed beverages came to rest, who had properly registered the brand with the PLCB, who had acquired the appropriate territorial rights from the manufacturer of the beverage in question, and who had paid state taxes thereon.

However, as of January 17, 2017, Act 166 of 2016 (Act 166) created a direct malt or brewed beverage shipper (DBS) license to allow suppliers to ship malt and brewed beverages to Pennsylvania residents. 47 P.S. § 4-448(a). Act 166 limits who may obtain this new license to any person licensed by another state or another country as a wholesaler or retailer of malt or brewed beverages. 47 P.S. § 4-448(b).

The DBS license permits its holder to ship a maximum of 192 fluid ounces per month of any malt or brewed beverage upon the order of any Pennsylvania resident twenty-one years old or older for such resident's personal use (not for resale). No more than 96 fluid ounces of a specific brand of malt or brewed beverages may be shipped to any one Pennsylvania resident within one calendar year. 47 P.S. § 4-448(b).

To obtain a DBS license, the applicant must file an application, pay a \$250 fee, provide a copy of the applicant's current alcohol beverage license, provide documentation that the applicant has obtained a sales tax number from the Department of Revenue, and provide other information as required by the PLCB. 47 P.S. § 4-448(c).

A DBS license holder must do all of the following:

- Report to the PLCB the total malt or brewed beverages shipped in a calendar year.
- Permit auditing of the DBS license records by the PLCB, the BLCE, or the Department of Revenue.
- Submit to the jurisdiction of the PLCB, any other Commonwealth agency, and the courts of this Commonwealth for purposes of enforcement.
- Require proof of age of the recipient of malt or brewed beverages in a manner approved by the PLCB before malt or brewed beverages are shipped.
- Label boxes with the phrase "CONTAINS ALCOHOL: SIGNATURE OF PERSON 21 YEARS OF AGE OR OLDER REQUIRED FOR DELIVERY."
- Pay all taxes due on sales to the Department of Revenue (the amount of taxes shall be calculated as if the sales were in this Commonwealth at the locations where delivery was made).
- Pay an annual renewal fee of \$250. 47 P.S. § 4-448(d).

Any person who resells malt or brewed beverages obtained from a DBS licensee commits a second degree misdemeanor and is subject to a fine of \$4 per fluid ounce for each container of malt or brewed beverages found on the premises where the sale was made, in addition to other criminal penalties. 47 P.S. § 4-448(e).

All malt or brewed beverages ordered under this section must be transported by a licensed transporter-for-hire. 47 P.S. § 4-448(i).

Malt or brewed beverages sold by a DBS license holder are not subject to the three-tier system, territorial rights, and brand registration requirements found in sections 431 and 445 of the Liquor Code. 47 P.S. § 4-448(j), (k).